

STERLING FINANCIAL CORPORATION

	CPP Disbursement Date 12/05/2008	RSSD (Holding Company) 3152245	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev		
Assets	\$9,501	\$9,208	-3.1%		
Loans	\$5,853	\$5,793	-1.0%		
Construction & development	\$688	\$319	-53.6%		
Closed-end 1-4 family residential	\$1,445	\$1,345	-6.9%		
Home equity	\$58	\$70	19.3%		
Credit card	\$0	\$0			
Other consumer	\$126	\$62	-50.7%		
Commercial & Industrial	\$466	\$350	-24.8%		
Commercial real estate	\$2,343	\$2,365	0.9%		
Unused commitments	\$625	\$759	21.5%		
Securitization outstanding principal	\$0	\$18			
Mortgage-backed securities (GSE and private issue)	\$2,603	\$2,321	-10.8%		
Asset-backed securities	\$0	\$0			
Other securities	\$222	\$227	2.0%		
Cash & balances due	\$436	\$512	17.4%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$708	\$644	-8.9%		
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$787	\$658	-16.4%		
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$8,528	\$8,118	-4.8%		
Deposits	\$6,935	\$6,454	-6.9%		
Total other borrowings	\$1,494	\$1,522	1.8%		
FHLB advances	\$407	\$406	-0.4%		
Equity					
Equity capital at quarter end	\$974	\$1,090	11.9%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$650	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	9.7%	11.1%	--		
Tier 1 risk based capital ratio	15.7%	17.4%	--		
Total risk based capital ratio	16.9%	18.7%	--		
Return on equity ¹	-14.5%	6.8%	--		
Return on assets ¹	-1.5%	0.8%	--		
Net interest margin ¹	3.2%	3.6%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	38.8%	68.2%	--		
Loss provision to net charge-offs (qtr)	95.4%	18.6%	--		
Net charge-offs to average loans and leases ¹	2.1%	0.7%	--		
¹ Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011	
Construction & development	56.5%	32.2%	2.2%	2.2%	--
Closed-end 1-4 family residential	3.6%	2.6%	0.8%	0.3%	--
Home equity	3.2%	0.4%	0.8%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.5%	1.3%	0.5%	0.6%	--
Commercial & Industrial	1.7%	2.7%	0.2%	0.3%	--
Commercial real estate	6.6%	4.2%	0.3%	0.2%	--
Total loans	10.9%	4.5%	0.7%	0.3%	--